

**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2007-AH-216**

IN THE MATTER OF CAPITAL MORTGAGE PARTNERS, LLC

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. Capital Mortgage Partners, LLC ("Capital") is licensed by the Office of Financial Institutions ("OFI") to conduct business as a mortgage loan broker. Capital's principal office is at 753 Bakersfield Way, Suite 102, Bowling Green, Kentucky 42104 and its mortgage loan broker license number is 1196.

2. On December 4, 2006, an examination was conducted into the condition, workings and affairs of Capital in order to determine whether there were any violations of law or any unauthorized unsafe practices or any failure to keep or have correct any required books and records.

3. In the course of that examination it was discovered that Capital had an individual originating mortgage loans on Kentucky properties without being registered with OFI and had been operating an unregistered branch office.

4. As of July 1, 2004, no mortgage loan broker and no loan officer may originate mortgage loans in Kentucky unless they are registered with OFI and have been issued a certificate of registration.

5. Capital's employment of unregistered mortgage loan officers to originate loans on Kentucky properties was a violation of KRS 286.8-255(1) and its operation of an unregistered branch office was a violation of KRS 286.8-100(1).

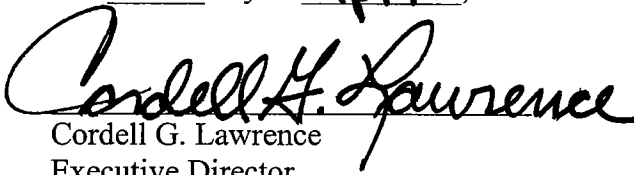
AGREEMENT AND ORDER

The Office of Financial Institutions and Capital Mortgage Partners, LLC, in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings, agree as follows:

1. Capital Mortgage Partners, LLC agrees to pay a fine in the amount of two thousand (\$2,000) dollars, which shall be made payable to "Kentucky State Treasurer" and mailed to the Office of Financial Institutions, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

2. In regard to this matter, Capital Mortgage Partners, LLC waives its right to demand a hearing, where it would be entitled to legal representation, to confront and cross examine witnesses for the Office of Financial Institutions, and to present evidence on its own behalf. Further, Capital Mortgage Partners, LLC consents to and acknowledges the jurisdiction of the Office of Financial Institutions over this matter and that this Agreement is a matter of public record and may be disseminated as such.

IT IS SO ORDERED on this the 23 day of April, 2007.

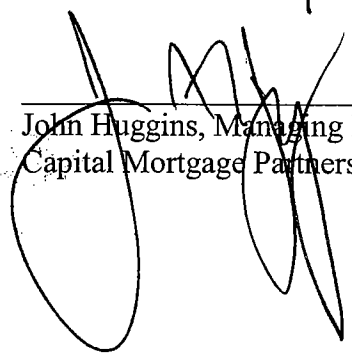

Cordell G. Lawrence
Executive Director

Consented to:

This _____ day of _____, 2007

This 16th day of April, 2007

David Coyle, Director
Division of Financial Institutions
Office of Financial Institutions



John Huggins, Managing Member
Capital Mortgage Partners, LLC

COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2007-AH-366
ADMINISTRATIVE ACTION NO. 07-PPC-0126

OFFICE OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

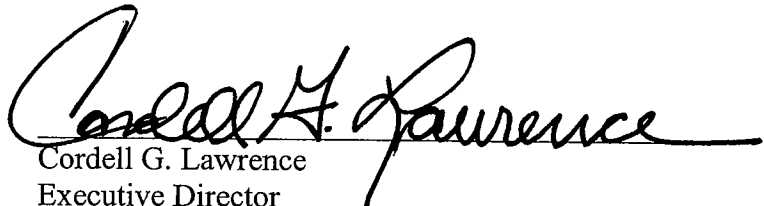
FINAL ORDER OF DISMISSAL

CAPITAL MORTGAGE PARTNERS, LLC

RESPONDENT

Pursuant to the Executive Director being sufficiently advised that the parties have entered into a Settlement Agreement, which is hereby incorporated by referenced and attached hereto, whereby the respondent agreed and has paid a civil penalty in the amount of \$2,000.00, for violation of KRS 268.8-255(1) (unregistered loan officers) and KRS 286.8-100(1) (unregistered branch), it is hereby **ORDERED** that this action is **DISMISSED**.

SO ORDERED this the 4th day of June, 2007.

A handwritten signature in black ink, reading "Cordell G. Lawrence", written over a horizontal line.

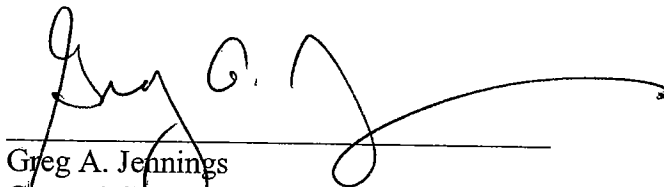
Cordell G. Lawrence
Executive Director
Office of Financial Institutions
1025 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing FINAL ORDER OF DISMISSAL was sent by first-class mail, postage prepaid, this the 4th day of June, 2007, to the following:

John Huggins
Capital Mortgage Partners
753 Bakersfield Way, Suite 102
Bowling Green, Kentucky 42104

Thomas J. Hellman
Division of Administrative Hearings
Office of the Attorney General
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204



Greg A. Jennings
General Counsel